

March 25, 1975

which is doing business. The Committee first introduced the bill which required that the check be drawn on a Nebraska bank and this is not uncommon because the Omaha Livestock... the Union Stockyards at Omaha require payment for slaughter by a check drawn on a Nebraska bank. It was felt, however, after the Committee had heard testimony that this perhaps might be a little too restrictive so the Committee amended the bill to require that the checks be drawn on a bank located within the Federal Reserve District in which the packing plant is situated. This broadens somewhat and provides for some flexibility and at the same time does not allow the extreme amount of float time which has been involved in the past. There was a considerable amount of interest in the bill. The bill did not have any opposition and I would move the adoption of the amendment.

SENATOR BARNETT PRESIDING.

SPEAKER: Senator Goodrich.

SENATOR GOODRICH: Will Senator Schmit yield to a question, please?

SENATOR SCHMIT: Yes, I will.

SENATOR GOODRICH: Loran, I am concerned with the possibility, for example, of someone from South Dakota or Iowa coming over here, buying cattle and he is not going to know about this law and if it pertains, for example, to a packing house, that is one thing, but if this is worded the way it is, would that stop an Iowa man from coming over here and buying stock and taking it back to Iowa, bringing his own Iowa check with him? I am afraid it would.

SENATOR SCHMIT: Well, Senator Goodrich, this legislation applies specifically to slaughter livestock so it would not affect those instances where we frequently find cases of persons who have decided to purchase livestock other than slaughter livestock. It also provides that there can be an express agreement to the contrary so that in the event that someone chose to do business otherwise, there is that provision in the bill. The discussion was raised, in Committee, Senator Kime raised the discussion in regard to this because he specifically stated many times that persons have bought livestock from the ranchers for many years and their credit is well established. Their reliability is unquestioned. Their integrity is sound and they do not wish to jeopardize any customer relationships so they exempted those provisions, provided for payment either by cash or by specific agreement the matter could be waived and I think this should take care of any objection. If it would not, Senator Goodrich, I would have no objection to being more specific in the bill.

SENATOR GOODRICH: OK. I am going to have to trust your judgment on this, Loran, because you are in this business and I am not. So I am going to have to trust your judgment that only slaughter cattle, for example, would be affected by this, number one, and that we are not putting an undue restriction on the people of Nebraska from selling slaughter cattle to anyone outside of the state of Nebraska, if they happen to use a check from outside the state of Nebraska, so I will trust your judgment on this.